



November 13, 2009

Listed Company Name: ESPEC CORP.  
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## Announcement Concerning the Absorption-Type Mergers of Two Consolidated Subsidiaries (Simplified Merger/ Short Form Merger)

The Company hereby announces that a meeting of the Board of Directors held today passed a resolution to carry out absorption-type mergers of Espec Engineering Corp. and Espec Test Center Corp., consolidated subsidiaries of the Company, as described below, as a reform of corporate structure aimed at business recovery and as a drastic undertaking for greater management efficiency. Because these will be simplified absorption-type mergers involving consolidated subsidiaries, some of the information for disclosure and details of the mergers have been omitted.

### 1. Purpose of the mergers

Espec Engineering Corp. has performed follow-up servicing and engineering for the Company's products, and Espec Test Center Corp. has performed services such as contract testing and equipment rentals, etc., but the Company has decided to carry out these absorption-type mergers for greater efficiency of group management.

### 2. Outline of the mergers

#### (1) Schedule of the mergers

Meeting of the Board of Directors to pass a resolution on the mergers: November 13, 2009

Conclusion of the merger contracts: December 25, 2009 (planned)

No General Meetings of Shareholders will be held to approve the mergers.

Scheduled date for the mergers: April 1, 2010

From the Company's perspective, these mergers are simplified mergers as provided for in Article 796.3 of the Japanese Company Law and from the perspective of Espec Engineering Corp. and Espec Test Center Corp., these mergers are short form mergers as provided for in Article 784.1 of the Japanese Company Law. Because of this, the mergers will be carried out without obtaining the approval of the respective Shareholders Meeting of each of the companies in regard to these Law.

#### (2) Form of the mergers

These mergers will be absorption-type mergers that make the Company the surviving company and dissolve Espec Engineering Corp. and Espec Test Center Corp.

#### (3) Details of allocation related to the mergers

Because Espec Engineering Corp. and Espec Test Center Corp. are consolidated subsidiaries of the Company, there will be no issue of new stocks, no increase in capital and no payment of merger subsidies in these mergers.

#### (4) Handling of the share warrants and bonds with share warrants attached of the defunct companies

N/A

3. Outline of the companies involved in the merger ( As of March 31, 2009 )

(1) Company Name	( The surviving company ) ESPEC CORP.	( The defunct company ) ESPEC ENGINEERING CORP.	( The defunct company ) ESPEC TEST CENTER CORP.
(2) Head Office	3-5-6, Tenjinbashi, Kita-ku, Osaka, Japan 530-8550	15-8, Taimahigashi-machi, Neyagawa, Osaka, Japan 572-0072	3-5-6, Tenjinbashi, Kita-ku, Osaka, Japan 530-8550
(3) President	Nobuyoshi Shin	Takaaki Oda	Hikomichi Fukumoto
(4) Business Contents	Manufacturing and sales of environmental test chambers, Semiconductor equipment, FPD equipment	After service, Construction around equipment	Commissioned test, Equipment rental, Resale, Calibration
(5) Capital	6,895 Millions of Yen	61 Millions of Yen	250 Millions of Yen
(6) Incorporated	January 13, 1954	May 24, 1975	April 1, 2002
(7) Number of Shares Issued	23,781,394 Shares	20,000 Shares	9,000 Shares
(8) Fiscal Year-end	March 31	March 31	March 31
(9) Number of Employee	1,549 Persons ( Consolodated )	212 Persons	75 Persons
(10) Net assets	29,212 Millions of Yen ( Consolodated ) ( As of March 31, 2009 )	2,607 Millions of Yen ( As of March 31, 2009 )	1,145 Millions of Yen ( As of March 31, 2009 )
(11) Total assets	38,719 Millions of Yen ( Consolodated ) ( As of March 31, 2009 )	3,036 Millions of Yen ( As of March 31, 2009 )	1,755 Millions of Yen ( As of March 31, 2009 )
(12) Net sales	34,914 Millions of Yen (Consolodated) (Year ended March 31, 2009)	4,255 Millions of Yen (Year ended March 31, 2009)	2,080 Millions of Yen (Year ended March 31, 2009)
(13) Principal shareholders and Percentage of total equity	Japan Trustee Services, T. 11.21% Japan Trustee Services, T. 4.99% Customers' Stockholding 4.69% Nippon Life Ins, 3.91% Mizuho Corporate Bank 3.00% Nomura Trust, Inv, T. 2.84% Employees' Stockholding 2.78% Master Trust Bank of Japan, T. 2.48% Dai-ichi Life Ins, 2.29% Tachibana Eletech 1.76%	ESPEC CORP. 100.00%	ESPEC CORP. 77.78% ESPEC ENGINEERING CORP. 22.22%

#### 4. Situation after the merger

(1) There will be no changes in the business name, description of business, head office address, representative, capital or date of settlement.

(2) Future outlook

If there will be any impact on the results of the Company due to this merger in the future, the Company will disclose relevant information promptly in accordance with the standards for disclosure.